



Responding to Attacks on the President's Budget

Over the next several weeks and months, Democrats, liberal interest groups, and the media will try to focus on the proposed "cuts" in the President's Budget. The following information is designed to assist in responding to these attacks.

Past Spending Increases:

- Non-Defense Discretionary Spending increased by 14.1% last year
- Total Discretionary Spending increased by 8.5% last year
- Including the President's proposed 4% increase for FY 2002, discretionary spending will have increased by an average of 5.6% a year from 1998 to 2002
- During the four years before the surplus emerged (1993-1997) total discretionary spending declined by 2.2%. Over the four year's since the surplus emerged (1997-2001), discretionary spending has increased by 24.1%

Comparisons:

- Government bureaucracies are receiving a bigger budget increase than America's families, seniors, or military personnel.
 - Household Income: +2.7% (1998 to 1999)
 - Social Security COLA: +3.5%
 - Military Pay Increase: +3.7%
 - Inflation: +2.5%

Cost of Spending Increases:

- If Congress and the President had abided by the spending caps set in law as part of the 1997 Balanced Budget Act, the ten-year surplus would be \$2.2 trillion (or 40%) bigger than the current \$5.6 trillion projection. *Source: Congressional Budget Office*

Do We Know Where the Money We Are Spending Now Is Going?:

- 10 of the 14 Cabinet Agencies have failed to receive a clean audit in at least two of the last four years
- 4 Cabinet Agencies (Agriculture, Defense, Justice, and Treasury) have failed to receive a single clean audit over the past four years
- 6 Cabinet Agencies (Agriculture, Defense, Education, HUD, Justice, and Treasury) failed to receive a clean audit last year

Compare Back to Previous Years:

Individuals will criticize the President's Budget by comparing the proposed FY 2002 funding for a specific program with the funding provided in FY 2001. However, since many programs received unwarranted double-digit percent increases in recent years, such comparisons can be misleading. In responding to attacks, it may be useful to compare the proposed funding level for FY 2002 with previous fiscal years.

To compare back to FY 2000:

1. Find the specific program in the Budget Appendix (an index is included in the back).
2. In the Program and Financing Table, find the "New budget authority (gross, detail", then look for the line "Appropriation (total discretionary)", and finally compare the "2000 actual" with the "2002 est."

NOTE: Since the Budget Appendix includes the reductions made to certain programs as a part of the across-the-board spending cut; the Budget Appendix is generally the most accurate source of comparison.

To compare back to Fiscal Years 1995 through 1999:

1. Access the Budget Appendix for the Fiscal Year Desired (to find the actual level for a specific year, you should look at the Appendix for the Budget issued two years after the year desired; for example to find the actual level for FY 1995, look at the FY 1997 Budget Appendix) at <http://w3.access.gpo.gov/usbudget/>
2. Follow the steps above.

NOTE: If you are unable to access the documents on-line, the RSC has hard copies of the Budget Appendix for Fiscal Years 1997 through 2002.

Spending By Agency:

	Budget Increase 1997-2001	Agency Failed to Receive a Clean Audit
Agriculture Dept.	21.0%	4 years running
Commerce Dept.	34.2%	3 out of the last 4 years
Defense Dept.	16.6%	4 years running
Education Dept.	50.0%	3 out of the last 4 years
Energy Dept.	19.4%	1 out of the last 4 years
Health & Human Services Dept.	56.7%	3 out of the last 4 years
HUD	82.2%	3 out of the last 4 years
Interior Dept.	39.7%	1 out of the last 4 years
Justice Dept.	28.0%	4 years running
Labor Dept.	15.5%	1 out of the last 4 years
State Dept.	36.4%	1 out of the last 4 years
Transportation Dept.	36.0%	3 out of the last 4 years
Treasury Dept.	32.1%	4 years running
Veterans Affairs Dept.	18.5%	3 out of the last 4 years

EPA	14.7%	2 out of the last 4 years
International Assistance	22.6%	4 years running (USAID)
NASA	4.4%	0 out of the last 4 years
National Science Foundation	33.3%	2 out of the last 4 years
Other Independent Agencies	6.8%	Not Applicable

Source: Office of Management and Budget

Pork-Barrel Spending & Corporate Welfare:

- The Bush Administration has identified at least \$15 billion worth of “one-time” expenditures (sometimes called pork projects) from last year’s spending bills. They are proposing to eliminate many of these expenditures for an estimated savings of about \$8 billion.
- Corporate welfare, wasteful spending, and pork barrel spending is estimated to total almost \$60 billion a year or nearly 10% of discretionary spending. *Source: The Heritage Foundation*

Tax Relief and Spending Cuts:

Critics of the President’s tax relief proposal will claim that the President is slashing spending in order to pay for his tax cut. It is important to remember that according to the Congressional Budget Office, it is possible to enact a \$2.2 trillion tax cut (nearly 40% larger than the President’s proposal) and still increase discretionary spending by over \$1 trillion over the next ten years.